



Community Dental Services CIC

Report and Financial Statements

Year ended

31 March 2022

Company Number 07476618

Community Dental Services CIC
Report and financial statements for the year ended 31 March 2022

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Welcome from our Chair

Firstly, I would like to recognise the contribution of our employees at CDS, who have risen admirably to the challenge of restoring our services post pandemic; reducing waiting lists, re-opening clinics and pushing for valuable general anaesthetic sessions in local hospitals to bring our patients the care they need. The resilience we all developed through the Covid-19 years remains as strong as ever, and the feedback we receive every day from our patients has been wonderful.

As a Board, we have been incredibly proud, that our efforts have been recognised with a major national award, being named the Health and Social Care Social Enterprise of the Year in the Social Enterprise UK Awards last December. We also received accolades from the Employee Ownership Association for our employee-owned governance model, and we were finalists in both the Oral Health and Dementia Heroes Awards.

Early in 2022, our Chief Executive, Alison Reid, took early retirement; as our CEO for almost nine years, her vision, drive and passion has enabled us to grow from our early beginnings in Bedfordshire. Alison was determined to ensure that the role CDS played in meeting the needs of the most vulnerable was better understood and heard, and took a lead on championing opportunities for growth to help to diversify CDS in the dental world. As a Board, we would like to thank Alison for her contribution to CDS. I am delighted that Helen Paisley, our former Chief Operating Officer succeeds her, bringing with her a wealth of experience, having been in leadership roles within CDS since we began in 2011.

The wider executive team has also been strengthened with new positions focusing on the development of our people, strong financial management and on service transformation and partnerships – all critical to our success in the future.

We are now a significant provider of community dental services across much of the East of England and the Midlands. I'm delighted that we have been able to use this position of influence: we have worked closely with partners to raise awareness among politicians around the crisis in dental access and how dentistry and social enterprises are represented within the emerging Integrated Care Systems of health transformation. We have continued in our strong commitment to learning and development for the whole dental team, including a new partnership with Health Education England and the Eastman Dental Institute. Initiatives like this raise the skills of the whole dental sector and bring great benefits to patients.

Along with the whole CDS Board, I am very proud of all we have achieved, and I hope you will enjoy reading this report.



Janet Clarke, Chair, CDS-CIC Board

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Introduction from our Chief Executive

Just as CDS was at the forefront of establishing face-to-face emergency dental care at the height of the Covid 19 pandemic, the same passion, drive and foresight has enabled us to quickly re-establish the clinical care that our patients need, secure general anaesthetic slots and deliver our oral health and epidemiology programmes in more and more settings.

At the start of the year, we faced a very considerable backlog of patients waiting for assessment, treatment and onward referral for general anaesthetic. I am incredibly proud of how all our teams responded to these challenges; advocating for our patients, securing additional funding to run extra clinics to meet need, embracing digital technologies to triage more patients and linking very proactively with local hospitals to secure our general anaesthetic lists. The challenge was to build back steadily while ensuring all our patients and employees could be confident safety was a top priority. The 98% satisfaction score we have achieved in the NHS Friends and Family survey is a fitting tribute to all our employees.

Oral Health and Epidemiology are key to the work we do, promoting positive oral health to children or to care workers who support our most vulnerable citizens, and establishing valuable data to inform future service provision through field surveys. Both these small teams worked incredibly hard to regain the confidence of settings and exceeded many their contracted targets.

CDS is a learning organisation and, alongside all the challenges of resuming business as usual, we have continued to invest heavily in the skills of our own workforce and the wider dental sector with ground-breaking partnerships and programmes like a new Fellowship Posts for Dental Therapists – demonstrating our commitment to developing the whole dental team.

At CDS, we are driven by a strong social purpose to bring dental care to those who have the most barriers to accessing services; we have worked with the homeless in our communities and with refugees fleeing Afghanistan, offering emergency dental care and oral health advice. New ways of working and greater collaboration with health colleagues, has enabled our prison dental teams to reduce very severe backlogs across these services.

I must also acknowledge and thank our corporate team who have worked extremely hard to deliver advice and hands-on support, bringing valuable expertise to our front-line services.

I am immensely proud to have been appointed Chief Executive of a fantastic, high achieving, employee led organisation that is committed to providing the highest quality services for our NHS partners, and to making a difference every day across all the communities we serve. I hope you will enjoy reading the strategic report and the summary of our impact that follows.



Helen Paisley, Chief Executive Officer, CDS-CIC

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Strategic Report

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2022.

Our achievements and progress

The resumption of CDS core clinical, epidemiology and oral health services, responding to high levels of unmet patient need has been our key priority. The disruption to dentistry, because of the pandemic, led to significant waiting lists for both assessment and treatment. It has been important for CDS to provide step up services while giving reassurance to patients and employees that care could be carried out safely as covid 19 measures were gradually reduced. Our investment in digital innovation, driven by the need to find new ways of working during the pandemic, has paid dividends, for example, the ability to triage and assess referrals more easily, from multiple locations, and our commitment to developing on-line oral health train-the-trainer programmes has enabled us to reach far more care workers than ever before.

We have responded to the pressure on waiting lists by collaborating with commissioners to secure funding for additional clinics to assess and treat more patients, often with our dedicated clinical teams working additional shifts at weekends. There have been challenges to stepping up services; securing general anaesthetic sessions in hospital theatres has been especially difficult, and we have lobbied hard to secure care for our patients. Wherever possible, we have worked with other hospital teams to maximise the impact of a single episode of general anaesthetic on our complex additional needs patients by co-ordinating multiple investigations and treatments.

Our Epidemiology teams carry out vital field work to assess future dental need in the child population across many areas of the central Midlands; CDS was able to draw on our well-established methodologies to ensure particularly ambitious targets, set as part of the national protocol, were achieved in full in several areas. This year, gaining accurate data is especially important from a public health perspective to see what effect the pandemic has had on oral health inequalities. We make sure that every contact count, providing children with a toothbrushing pack and oral health advice.

We have prioritised establishing links with the newly constituted Integrated Care Systems, bringing local evidence to support the development of new oral health strategies to address unmet needs. Through survey work in Nottinghamshire, combined with emergency treatment, we have been able to present clear evidence to Healthwatch and the ICS locally, of the needs of people with multiple social deprivation, revealing many of the barriers they face to accessing care. Wherever possible, we have increased the care we can provide for people with multiple social deprivations – those who would otherwise find it almost impossible to be seen.

We have been able to support some of the most marginalised communities to access dental care. This has included providing emergency drop-in dental care for homeless people, supporting the Driving for Change project in London, and providing emergency dental treatment

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for refugee families from Afghanistan within the confines of their temporary hotel accommodation. Many of these opportunities have been identified and delivered by our employees, quite often on a voluntary basis.

Nationally, CDS has been part of a working group contributing to a new report and guidance on General Standards in Special Care Dentistry, improving overall, system wide quality for special care dental patients. Through our charitable donations and support to CDS Action, we have been able to further reduce health and social inequalities across all the communities we serve.

There has been investment in our clinical estate to improve patient care (examples) and in our IT infrastructure to enable more seamless access to patient records and information, notably in our HM Prison contracts where there were barriers to accessing to wider CDS systems and remote access to facilitate triaging patients more effectively – all key to reducing significant patient backlog.

Increasing the skills of our own workforce, bringing expert levels of care to our patients, and raising wider dental sector awareness of special care dentistry is one of our well-established strategic ambitions. This year we have increased the number of Specialist Trainees in special care dentistry and our Level 2 Dental Trainees, and pioneered some of the first Clinical Fellowships for dental care professionals, as well as creating Consultant posts to offer specialist care and increase the knowledge of our teams. Our longstanding commitment to Foundation Dentist training continues with three posts, and we have established new partnerships with Health Education England and, in Norfolk, with the Eastman Dental Hospital to address gaps in dental training and therefore workforce gaps in the market. Learning will continue to be a key priority as we establish our CDS Learning Academy.

Through the year, we have added our weight to campaigns from the Association of Dental Groups addressing the crisis in dental access, and to Social Enterprise UK as they continue to lobby for the role of social enterprises as significant providers of community health care in the emerging Integrated Care Systems. We hosted a number of MP briefings, including the Shadow Health Minister, and we were delighted to welcome leading dental access campaigner, Peter Aldous MP, to our Lowestoft Clinic to launch an oral health digital toolkit for people with additional needs. We were proud to be referenced in Parliament as the MP opened a debate on dental access.

Our plans for the future

Looking ahead to strategic priorities for the coming year, we will capitalise further on opportunities to maximise the impact of our current contract portfolio, through a focus on quality assurance, digital innovation, developing our sedation offer further, and greater collaboration with other dental providers.

CDS has grown through contract acquisition, and we will continue to identify new opportunities within our existing community reach, and into new communities, to bring our unique CDS offer

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to an increased audience for community and prison dental services, oral health improvement and public health epidemiology surveys.

Integrated Care Systems prioritise local collaboration. Therefore, building on the work we have done this year, we will focus on developing strategic partnerships to deliver services and increase awareness, where we can add value, inform oral health delivery, and ensure the needs of our patients continue to be met. We will continue to ensure CDS is well represented on local professional committees so we can advocate for our patients, while identifying new collaboration and procurement opportunities. Lending support to national campaigns like the Association of Dental Groups 'Six Ideas to Fix Dentistry' will also be a priority. Areas where we can diversify in a sustainable way, will also be explored to maximise our estates, use the expertise of our employees and capitalise on our understanding of dentistry, community health care and providing services for people with additional needs.

Finally, thank you to everyone who has contributed to all we have achieved over the last 12 months - to our external partners, to our patients and their families, and to our employees.

Financial review and outturn

An overall result for the year was a surplus of £793K. This was another year of a strong result when compared with previous years, especially taking into account a recovery period after a lockdown due to Covid-19. We are immensely grateful to our employees for delivery of our services in such a difficult period. Our teams have worked tirelessly to continue to bring in income and minimise costs wherever possible and it is only through this work we managed to end the year in a far more financially healthy situation than we were anticipating.

Our income is mainly dependant on us delivering NHS activities as per contractual arrangements and key performance indicators. At £28.16m (2020/21: £27.47m) CDS' income overperformed our original budget as we have delivered more activities to support waiting list patients and epidemiology services as well as grew our income through activities like homeless support projects, rental activities and mobile clinics. This has shown a turnover growth year on year of 9% (2020/21: 53%).

Our employees are our main assets and we ensure that their remuneration together with the benefit package is in line with NHS, Agenda for Change scheme as well as market trends therefore we have seen an increase of 3% (2020/21: up to 2.8%). We have also awarded year-end bonus to our employees for their hard work back in 2021/22.

Costs of sales and administrative expenses have increased to £17.28m and £9.99m respectively (2020/21: £17m and £9.63m) . This increase was primary driven in line with the increase in activity levels across all our clinics, pay increases and our investment into new ways of working programmes post lockdown.

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During the year CDS has also spent £718k (2020/21: £1.27m) to improve our existing assets through refurbishment of surgeries and purchase of new dental and IT equipment supporting all services.

CDS has also continued to support its charitable activities through £50k (2020/21: £100k) donation to CDS Action Charitable Trust.

Risk management

CDS Board of Directors are responsible for identifying and assessing risks and opportunities for the organisation and deciding how best to deal with them. This includes assessing whether they are manageable and worth taking or where exposure is too great to continue with operations. They are supported in this by Executive Directors who manage those identified risks on a regular basis. The Finance, Audit and Risk Committee reviews the effectiveness of assurance processes and the management of key risks, including undertaking detailed reviews of key risks to assure themselves that they have been correctly identified and mitigations are appropriate and effective and report to the CDS Board on it regularly.

The risks are recorded in a risk register, which also records key controls to manage each risk, who is responsible for the control and how the control effectiveness is monitored. Risks are analysed according to their impact and probability.

The following are the principal strategic risks that were considered to be present at the end of 2021/22:

- Inability to provide services due to impact of Covid-19 and consequently a major waiting list of patients
- Uncertainty of structural changes within NHS (Integrated Care System) and its impact on dentistry
- Failure to retain and recruit impact on workforce fatigue and capacity shortfall
- Financial and reputational risk regarding Learning Academy
- Failure of IT systems due to internal errors and limited connectivity
- Brexit impact on purchasing power and costs of delivery

For each of these risks there is an assigned owner on the Executive Team and a detailed plan of controls to protect CDS, either by reducing the likelihood of them occurring or reducing their impact if they do occur.

Actions to mitigate the inability to provide services are underway, following additional funding provided by NHS to address waiting lists, creating additional capacity during evenings and weekends and engagement at national level with multiple stakeholders, set local action plans, with further control improvements planned for 2022.

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The other principal strategic risks are all being considered as part of CDS ongoing Board Assurance Framework (BAF) review. The BAF development for 2022/23 will consider the implications of existing risks, as well as it will identify any new principal risks and opportunities connected with CDS' strategy. The aim is to make sure that the new BAF, delivers a comprehensive summary for the Board and also continues to mature so that this can become an integral part of our risk and assurance framework.

Movements in share capital

All CDS employees are entitled to purchase a £1 share in CDS, whether they are employed directly by CDS or have been transferred to CDS through a TUPE (Transfer of undertakings - Protection of Employment) transaction. All these shares are redeemable at the nominal £1 value.

The company issued 86 (2020/21: 208) Ordinary Redeemable shares during the year to employees and 87 (2020/21: 90) were redeemed or cancelled.

Approval

This strategic report was approved by order of the Board of Directors on 22 September 2022.



Sara Cannon

Company Secretary

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Report of Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2022. A review of the business, future developments and charitable giving is included in the strategic report.

Principal activities

The principal activities of the company are:

- to provide dental treatment and other dental and health services;
- to pursue any charitable purpose or purposes relating to the National Health Service;
- to promote improved oral health care;
- to promote and improve for the public benefit economic and social well-being where the Company operates.

Results and dividends

The statement of comprehensive income is set out on page 17 and shows the profit for the year.

In accordance with the Articles of Association, no dividends will be distributed and paid for the year ended 31st March 2022.

Directors

The directors of the company comprise three groups:

- i. Designated Post Directors:** These directors are the senior managers holding the posts of Chief Executive, Clinical Director, Business Development Director, Finance and Commercial Director and Chief Operating Officer.
- ii. Directors elected by employees:** In accordance with the CDS Articles of Association; these directors are employee members who are elected, as directors, by the employees of the business. Employees elected as directors receive no remuneration for acting as directors.
- iii. Non-Executive Directors:** Non-executive directors serve on the Board to address perceived gaps in skills and experience (as noted below). The appointments are for a period of three years.

For Community Dental Services CIC to provide NHS and private dental care, the GDC (General Dental Council) requires the majority of board directors to be GDC registrants.

The directors of the company during the year were as follows:

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Designated posts

Chief Executive	A Reid (vacated post 2 March 2022) J Burchill (appointed 7 January 2022, vacated post 25 March 2022) H Paisley (appointed 25 th March 2022)
Clinical Director	M Cranfield (vacated post 11 August 2021, appointed 2 nd March 2022) S Ali (appointed 18 th August 2021, vacated post 2 nd March 2022)
Finance and Commercial Director	G Hotchen (appointed 1 April 2021, vacated 22 October 2021, appointed 16 December 2021, vacated post 2 February 2022) A Dzido (appointed 2 February 2022)

Directors elected by employees:

Mrs N Blake
Mrs L Parker
Mr G Taylor
Mrs P Warner

Non-Executive Directors:

Mrs J Clarke Chairman
Mr J Burchill (vacated post 7 January 2022)
Dr S P Sellars
Mr J Niland (appointed 1 April 2021)
Dr M J M Ismail (appointed 1 April 2021)
G Hotchen (appointed 2 February 2022)

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they provide a true and fair view of the state of affairs of the company and of the profit of the company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;

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- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate financial records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time, the financial position of the company. The records should also ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Financial statements are published on the company's website, in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

At the time of approval of the report, as far as each of the directors are aware there is no relevant audit information of which the auditors are unaware and, the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

BDO LLP acted as company's auditors during the year. In 2022 we will formally tender our external audit relationship, in line with guidance for strong governance. The Directors' report and strategic report were approved by the Board in their capacity as Directors of the company on 22 September 2022 and are signed on their behalf by:



Sara Cannon
Company Secretary

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Independent Auditor's Report to the Members of Community Dental Services CIC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Community Dental Services CIC ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of Directors

As explained more fully in the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act 2006, the Care Quality Commission, and the relevant tax regulations.
- We understood how the Company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was a susceptibility to fraud.
- Our audit planning identified fraud risks in relation to management override and risk of fraud in revenue recognition. We obtained an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise

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prevent, deter and detect fraud and how management monitors the processes and controls.

- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included:
 - Journal entry testing, with a focus on large or unusual transactions, based on our knowledge of the business and enquiries with management.
 - Substantive testing of revenue transactions through to third party supporting evidence, in order to confirm the existence and accuracy of the sale.

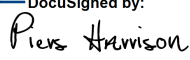
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Piers Harrison (Partner)

For and on behalf of BDO LLP, statutory auditor
Cambridge

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Financial Statements

Statement of Comprehensive Income for the year ended 31st March 2022

	Note	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Turnover	3	28,167	27,471
Cost of sales		(17,283)	(17,000)
Gross Profit		10,884	10,471
Administrative expenses		(9,987)	(9,627)
Other operating income	4	236	490
Operating profit		1,133	1,334
Donation to CDS Action		(50)	(100)
Profit before interest and taxation		1,083	1,234
Interest receivable and similar income		1	2
Profit before taxation		1,084	1,236
Tax on profit	7	(291)	(244)
Profit for the financial year		793	992

All of the above results are derived from continuing activities.

The notes 1 to 17 form part of these financial statements.

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Statement of Financial Position at 31 March 2022

	Note	As at 31st March 2022 £'000	As at 31st March 2021 £'000
Fixed Assets			
Intangible assets	8	-	46
Tangible assets	9	3,125	2,848
		3,125	2,894
Current Assets			
Debtors	10	3,214	2,573
Cash at bank and in hand		4,469	3,976
		7,683	6,550
Creditors: amounts falling due within one year	11	(6,774)	(5,944)
Net current assets		909	606
Total assets less current liabilities		4,034	3,500
Creditors: amounts falling due after more than one year	12	(287)	(762)
Provision for other liabilities	13	(544)	(328)
Net assets		3,203	2,410
Capital and reserves			
Called-up share capital	15	0	0
Retained earnings		3,203	2,410
Total equity		3,203	2,410

The financial statements on pages 17 to 35 were approved by the Board of Directors, authorised on 22nd September 2022 and signed on its behalf by



Artur Dzido

Finance and Commercial Director

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Statement of changes in equity for the year ended 31 March 2022

	Called-up share capital £	As at 31st March 2022 Retained earnings £	Total equity £
Balance as at 1st April	428	2,409,356	2,409,784
Profit for the year	-	792,879	792,879
Shares issued	86	-	86
Redemption of share capital	(87)	-	(87)
Balance as at 31st March	427	3,202,235	3,202,662

	Called-up share capital £	As at 31st March 2021 Retained earnings £	Total equity £
Balance as at 1st April	310	1,417,044	1,417,354
Profit for the year	-	992,312	992,312
Shares issued	208	-	208
Redemption of share capital	(90)	-	(90)
Balance as at 31st March	428	2,409,356	2,409,784

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Statement of Cash Flow at 31 March 2022

	Note	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Cash from operations	Table A	1,251	3,297
Interest received		1	2
Taxation received/(paid)		(40)	135
Net cash generated from operating activities		1,212	3,434
Cash flow from investing activities			
Purchase of tangible assets		(719)	(1,269)
Proceeds from disposals of tangible assets		-	71
Net cash used in investing activities		(719)	(1,198)
Cash flow from financing activities			
Proceeds from issue of redeemable share capital		0	0
Acquisition of redeemable share capital		(0)	(0)
Interest paid			
Net cash used in financing activities		(0)	0
Net increase in cash and cash equivalents		493	2,236
Cash and cash equivalents at beginning of the year		3,976	1,740
Cash and cash equivalents at end of the year	Table B	4,469	3,976
Table A			
Profit for the financial year		793	992
Adjustments for:			
Tax on profit		291	244
Amortisation of intangible assets		46	47
Depreciation of tangible assets		493	434
(Profit)/loss on disposal of tangible assets		4	(17)
Amortisation of capital grants related to tangible assets disposal		(73)	360
Interest receivable		(1)	(2)
Working capital movements:			
Decrease/(increase) in debtors		(641)	(454)
Increase/(decrease) in creditors		339	1,693
Cash from operations		1,251	3,297
Table B			
Cash and cash equivalents consist of:			
Cash at bank and in hand		4,469	3,976
Total cash and cash equivalents		4,469	3,976

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Notes to the Financial Statements

1. Company status

Community Dental Services CIC is a private company limited by shares, formed as a community interest company ("CIC"), incorporated in England & Wales under the Companies Act.

2. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and preceding year, is set out below:

a) Basis of accounting

The financial statements have been prepared in accordance with FRS 102 the financial reporting standard applicable in the United Kingdom and the Republic of Ireland. The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

b) Going concern

The directors are of the opinion that the company has adequate resources to continue to operate for the foreseeable future, being not less than one year from the date of approval of the financial statements. They have formed this opinion after reviewing future forecasts and cash flows that take into account the impact of Covid-19 on the organisation.

Throughout Covid-19 pandemic period, the company has been committed to ensuring the best possible level of service to the population that we server whilst ensuring that staff wellbeing and safety remains our primary focus.

As an oral health service provider delivering majority of services through NHS contracts, the company had received mandated funding and therefore consequently has not had a detrimental financial impact and therefore shielded from negative impact of Covid-19 on its cash flow and reserves

The directors have fully examined potential risks facing the organisation together with a financial impact on working capital, cash flow and profit and loss projections. The company continues to hold a healthy level of reserves, means it will have sufficient resources to continue as a going concern in the 12 months period following approval of these financial statements. For these reasons, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

c) Critical accounting judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates in applying the company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary.

The following paragraphs detail the certain estimates, judgements and assumptions the company believes to have the most significant impact on the annual results:

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- i. **Classification of leases** - determine whether leases entered by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- ii. **Tangible fixed assets** are depreciated over their useful lives considering residual values where appropriate. The lives of assets and residual values are assessed annually with factors such as the purpose of each asset and the typical product life cycle and maintenance programme considered.
- iii. **Accruals, provisions and contingencies** - expenditure incurred in the reporting period where there is uncertainty as to the final amount to be paid is accounted for on the basis of an estimated value where this treatment is viewed as appropriate. An accrual is recognised when it is probable that an obligation exists for which a reliable estimate can be made. The amount may change in the future due to new developments or as additional information becomes available. Any accruals over 6 years old are released to profit and loss account unless the obligation still exists. Matters that either are possible obligations or do not meet the recognition criteria for a provision are disclosed as contingent liabilities, unless the possibility of transferring economic benefits is remote, in which case no reference is made.
- iv. **Deferred income** - where the provision of services in respect of a contract year has not been completed by the company's reporting date, the company defers revenues and recognises such amounts in the corresponding accounting periods. The amount of revenue to defer is based on estimates of the values of services not delivered in the year.

d) Turnover

Turnover represents sales to external customers at invoiced amounts excluding value added tax. Turnover is recognised when the revenue has been earned under the terms of the contract, with unearned amounts being included in deferred income.

e) Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are credited to the profit and loss account as 'other operating income' in the period to which they relate.

f) Tangible fixed assets

Tangible fixed assets represent leasehold land and buildings, motor vehicles, IT and clinical equipment. All fixed assets with an expected life of more than one year are included at cost and depreciated on the basis outlined below (except for leasehold land).

g) Intangible fixed assets

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Intangible fixed assets represent licences and warranties in respect of purchased software and hardware. These are stated at cost less accumulated amortisation. The cost includes cost of asset purchases and other directly attributable costs.

h) Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. Depreciation rates are calculated at the following rates on cost on a straight-line basis:

Dental and IT equipment	Over 3 - 10 years
Fixtures and fittings	Over 5 years
Mobile surgeries	Over 10 years
Building works	Over the period of the lease or length of contract where no lease

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

i) Amortisation

Amortisation is provided to write off the cost or valuation, less estimated residual values, of all intangible fixed assets evenly over their expected useful lives. Amortisation rates are calculated at the following rates on cost on a straight-line basis:

Software	Over 5 years
----------	--------------

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

j) Impairment of fixed assets and intangible assets

The need for any fixed asset or intangible asset impairment write-down is assessed by comparison of the carry value of the asset against the higher of realisable value and value in use.

k) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Corporation tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances are reversed if and when all conditions for retaining those allowances have been met.

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Deferred tax balances are not discounted.

l) Leased assets

Operating leases' annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

Where the company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

m) Pension costs

Certain employees of the company are members of the NHS Pension Scheme (NHSPS) under a closed direction status. The scheme commenced in 2012/13 and is an unfunded defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme and the cost to the NHS Body participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The company also offers enrolment to a defined contribution pension scheme (Pension Trust) or makes contributions to the personal pension schemes of remaining employees. Contributions are charged to the income statement in the year in which they become payable.

n) Reserves

The company's reserves are as follows:

- Called up share capital reserve - represents the nominal value of the shares issued.
- Profit and loss account - represents cumulative profits or losses, net of dividends paid and other adjustments.

o) Financial instruments

The company has elected to apply the provision of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

The company holds financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method.

Financial assets held at amortised costs comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised costs comprise trade and other creditors.

3. Turnover

Year Ended

Year Ended

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Analyses of turnover by category:	31st March 2022 £'000	31st March 2021 £'000
NHS services	27,915	27,378
Non-NHS services	252	92
Total	28,167	27,471

4. Other Operating Income

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Amortisation of capital expenditure grant	73	490
Other grants	21	-
Other income	142	-
Total	236	490

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5. Operating profit

Operating profit is stated after charging/(crediting):

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Depreciation of tangible assets	493	434
Amortisation of intangible assets	46	47
(Profit)/ Loss on disposal of fixed assets	-	(17)
Operating lease rentals:		
Property	3,054	3,588
Vehicles	-	11
Auditor's Remuneration (incl. expenses, excl. VAT):		
Fees for the audit of the financial statements	30	29
Fees for other services	6	7

6. Employees and directors

The average number of persons (including executive directors but excluding non-executive directors) employed during the year was:

	Year Ended 31st March 2022 No.	Year Ended 31st March 2021 No.
Dentists and Clinical	398	419
Management and Administration	36	32
Total	434	451

The average number of persons (including executive directors but excluding non-executive directors) employed during the year expressed as whole time equivalent was:

	Year Ended 31st March 2022 No.	Year Ended 31st March 2021 No.
Dentists and Clinical	313	319
Management and Administration	33	29
Total	346	348

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Employee Costs:	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Wages and salaries	12,803	12,583
Termination benefits	164	161
Social Security costs	1,204	1,203
Other pension costs (Note16)	1,461	1,476
Total	15,632	15,423

The directors' emoluments were as follows:

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Total amount of emoluments	846	638
Other pension costs (Note16)	68	56
Total	914	695

Emoluments of the highest paid director were £245,230 (2021: £117,657). Company contribution of £16,966 (2021: £16,472) were made to a personal pension scheme on their behalf.

7. Income tax

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Current tax:		
UK Corporation tax on profit for the year	(85)	(27)
Total current tax	(85)	(27)
Deferred tax:		
Origination and reversal of timing differences	(129)	(216)
Adjustment in respect of prior periods	12	(1)
Effect of tax rate change on opening balance	(89)	-
Total deferred tax	(206)	(216)
Tax on profit	(291)	(244)

Reconciliation of tax charge

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Report and financial statements for the year ended 31 March 2022

Tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK for the year ended 31st March 2021 of 19% (2021: 19%). The differences are explained below:

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Profit before tax	1,084	1,236
Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	(206)	(235)
Effects of:		
Income not subject to tax	14	93
Expenses not deductible for tax purposes	(6)	(6)
Fixed asset differences	27	(95)
Adjustments in respect of prior years	(12)	-
Adjustments in respect of prior years - deferred tax	12	(1)
Remeasurement of deferred tax for changes in tax rates	(119)	
Tax charge for the year	(291)	(244)

8. Intangible assets

	As at 31st March 2022 Software £'000
Cost	
At 1 April	191
Additions	-
Disposals	-
At 31 March	191
Accumulated amortisation and impairment	
At 1 April	(146)
Charge for the year	(46)
Impairment	-
Reversal of impairment	-
At 31 March	(191)
Net book value	
At 31 March	-
At 1 April	46

9. Tangible assets

	As at 31st March 2022				As at 31st March 2021	
	Dental and IT equipment £000	Mobile surgeries £000	Leasehold land and buildings £000	Fixtures and fittings £000	Total £000	Total £000
COST						
At 1 April	2,988	286	726	387	4,387	3,830
Additions	611	-	-	163	774	1,269
Disposals	(6)	-	-	-	(6)	(712)
At 31 March	3,593	286	726	550	5,155	4,387
Depreciation & Impairment						
Depreciation at 1 April	(1,064)	(215)	(187)	(73)	(1,539)	(1,402)
Depreciation charge for year	(360)	(20)	(54)	(59)	(493)	(434)
Eliminated in respect of Disposals	2	-	-	-	2	298
At 31 March	(1,422)	(235)	(241)	(132)	(2,030)	(1,539)
Net book value						
At 31 March	2,171	51	485	418	3,125	2,848
At 1 April	1,923	71	540	314	2,848	2,429

10. Debtors

	As at 31st March 2022 £'000	As at 31st March 2021 £'000
Trade debtors	2,729	2,191
Other debtors	66	42
Pension Contribution	157	-
Prepayments and accrued income	262	340
Total Debtors	3,214	2,573

11. Creditors: Amounts falling due within one year

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Trade creditors	(979)	(815)
Corporation tax	(73)	(27)
Other taxation and social security	(336)	(339)
Pension contribution	(52)	(186)
Other creditors	(88)	(198)
Accruals	(2,234)	(2,096)
Deferred income	(3,012)	(2,283)
Total Creditors: Amounts falling due within one year	(6,774)	(5,944)

12. Creditors: Amounts falling due after more than one year

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Deferred income	(287)	(762)
Total Creditors: Amounts falling due after more than one year	(287)	(762)

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13. Provision of other liabilities

	Deferred tax provision £'000	Year Ended 31st March 2022 Dilapidations provisions £'000	Total £'000
At 1 April	(292)	(36)	(328)
Additions dealt with in profit or loss	(206)	(10)	(215)
At 31 March	(498)	(46)	(544)

	Deferred tax provision £'000	Year Ended 31st March 2021 Dilapidations provisions £'000	Total £'000
At 1 April	(76)	(36)	(112)
Additions dealt with in profit or loss	(216)	-	(216)
At 31 March	(292)	(36)	(328)

Deferred taxation represents timing differences arising from accelerated capital allowances.

The dilapidation provision represents the company's obligations under short term lease agreements based on the condition of each property as at the balance sheet date.

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	Year Ended 31st March 2022 £'000	Year Ended 31st March 2021 £'000
Fixed assets timing differences	489	306
Short term timing differences	9	(14)
Total provision	498	292

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14. Capital and other commitments

At 31st March, CDS had the following capital commitments

	As at 31st March 2022 £'000	As at 31st March 2021 £'000
Expenditure authorised by the Board but not contracted	519	443
Total capital commitments	519	443

CDS holds properties and vehicles on non-cancellable operating leases.

At 31 March 2022 CDS has annual commitments under these leases as follows:

	As at 31st March 2022 £'000	As at 31st March 2021 £'000
Leases for properties:		
Expiring within one year	2,571	1,891
Expiring between one and five years	6,453	5,911
Expiring thereafter	-	1,437
Leases for vehicles:		
Expiring within one year	4	21
Expiring between one and five years	1	12
Expiring thereafter	-	-
Leases for equipment:		
Expiring within one year	18	19
Expiring between one and five years	45	39
Expiring thereafter	-	-
	9,092	9,330

15. Share capital

	Year Ended 31st March 2022		Year Ended 31st March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1
Ordinary redeemable shares of £1 each	426	426	427	427
	427	427	428	428

During the year, 86 ordinary redeemable shares of £1 each were issued at par value and 87 ordinary redeemable shares of £1 each were redeemed at par value or cancelled when the shareholders concerned left CDS employment. No capital Redemption Reserve has been recorded for shares cancelled on the basis of immateriality. All shares are “pari passu” ranked for voting rights and one subscriber share is a transferable share rather than being redeemable one as per CDS Articles of Associations.

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16. Pension

CDS participates in number of pension schemes with two main being: one being defined benefit scheme i.e. The National Health Service Pension Scheme (NHSPS), and another - defined contribution pension scheme The Pension Trust (TPT). There is also an arrangement for number of employees who opted for Personal Pension Scheme of their choice.

	Year Ended 31st March 2022		Year Ended 31st March 2021	
	No.	£'000	No.	£'000
NHSPS	250	1,235	278	1,294
TPT	164	209	124	160
Personal Pension Schemes	2	17	2	22
	416	1,461	404	1476

17. Financial Instruments

The company's financial instruments may be analysed as follows:

	As at 31st March 2022				As at 31st March 2021	
	Fair value £'000	Amortised cost £'000	Total financial instruments £'000	Non- financial instruments £'000	Total £'000	Total £'000
Assets						
Tangible assets	-	-	-	3,125	3,125	2,848
Intangible assets	-	-	-	-	-	46
Debtors	-	2,979	2,979	235	3,214	2,573
Cash at bank and in hand	-	4,469	4,469	-	4,469	3,976
					-	
Liabilities						
Creditors: Amount falling due within one year	-	(3,762)	(3,762)	(3,012)	(6,774)	(5,944)
Creditors: Amount falling due after more than one year	-	-	-	(287)	(287)	(762)
	-	3,686	3,686	61	3,747	2,738

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18. Related party transactions

Key management are considered to be the directors of the company and the total compensation expense of £988,765 (2020/21: £761,474) inclusive of Employers' NiC and pension contributions.

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